

Announcing the Arrival of Nation-Wide Prosperity

The Credit Clearing House, in Touch With Business Throughout the Country, Says Good Times Are Here and Can Easily Be Made to Stay With Us

The following article was prepared by the Credit Clearing House, an institution engaged in supplying credit information and reports on business conditions to many thousands of merchants in all parts of the United States. It receives monthly more than 200,000 reports of business transactions with retailers. It is interesting to note that its voluminous statistics show, among other things, that the quantity of merchandise purchased by retailer merchants in this country since October 31 is about the same as the quantity purchased in the corresponding period of 1915-1916, a record period.—Financial Editor.

IN SPITE of the tendency on the part of many writers to disparage the optimism of the business man generally, it is well founded, and the graphic chart of the Credit Clearing House shows clearly that conditions in merchandising are well above normal.

When the world war began, in 1914, no country felt the crisis as keenly as the United States, and during that year it was only through the pluck and perseverance of the American business man that panic was averted.

Throughout the year 1915 constant hammering of big business men toward better business began to be felt, and toward the end of that year it was evident that there was a basis for their optimism; and, as the purchasing power and operation of the consumer was necessarily the prime factor in producing this optimism, the purchases and payments by the retailer were the most natural reflection of the action of the consumer.

The Peak of War-Time Buying

In 1916 merchandising in the United States responded to the desire of big business, not because it was trying to forestall possibility, but from actual needs. The consumer had, through continuous buying, depleted stocks, and on a rising market the retailers were compelled to replenish, which they did with such freedom that the purchases during the early fall of that year reached a point which never has been equalled before or since in the country's record of merchandising. In spite of these large purchases indebtedness materially decreased and payments showed a slight increase.

During the year 1917, while they did not reach the extreme height of 1916, purchases made a splendid showing and held high throughout

the year, while payments increased steadily, and showed a much higher average than had been known up to that time. Because of the high activity in payments, indebtedness showed a material decrease during the year, although the actual purchases of the year were greater for this twelve months than for the preceding period.

During 1918 purchase activity showed a steady increase until a month prior to the signing of the armistice, and, in spite of this high plane of purchasing, indebtedness remained below that of previous years because the payments from January to August maintained a higher activity than any corresponding period of former years.

From the month prior to the time of the signing of the armistice until the latter part of January this year the expectancy of the retailer for a great drop in the prices of merchandise steadily decreased purchase activity, but as payments remained slightly better than the average payments of all years except 1917 and 1918, merchandising indebtedness of the country steadily declined until a low record was reached in March of this year.

Merchants Hesitated, But Consumers Didn't

When the merchants found that buying by the consumer did not decrease to any great extent, they were forced to replenish their stocks. While this has been done in a careful, methodical manner, it has nevertheless swelled the purchase activity steadily for the past three months, and with this increase of purchase activity payments have also increased, while indebtedness did not show an advance until the present month. The advance shown during this month has not brought the indebtedness as high as shown in the years 1916, 1917 and 1918.

Many factors which may assist or retard merchandising must be considered during the next few months, some of which are as follows:

- Advance purchases.
 - Careful selections of merchandise.
 - Proper facilities of transportation.
 - Steadying the labor situation.
 - Removing the Public Utilities from government control.
 - Crop conditions.
- Contracts for future merchandise deliveries should be carefully planned at this time and every retailer should begin to schedule his current purchases for future delivery on a basis not less than his needs during 1917. Every merchant desiring to satisfy the wants of his customers must have the

merchandise to meet such demands, and this cannot be done by quick or immediate delivery orders after the demand is made. The manufacturer must have some incentive for the purchase of raw material and the manufacture of stock sufficient to supply the demands of trade.

In making these advance purchases selection of merchandise should be made with the utmost care—that is, according to the trend of trade during the last three years. In nearly every line of trade the demand for the last three years has been assortment rather than standard articles, and those merchants who have placed the best assortment before the public have been the merchants who have succeeded to

the greatest extent in building their business to a point far beyond their most sanguine expectations.

Future buying must be along the line of assortment on specialties; the buying of staples freely will cause more or less trade in specialties, and if the specialty is exhibited to the consumer when buying staples this specialty will not doubt add much profit to the seller.

In selling, however, the retailer must remember that the consumer is getting more wisdom each year, and it will not pay to attempt profiteering, as was shown in many lines during the last year. The consumer to-day will demand the dollar value for the dollar spent, and the retailer who charges legiti-

mate profit will be the retailer who will steadily increase his business.

The question of transportation is serious. Under the present conditions there is constant complaint. Service is little if any better than during the war period, and while our people are long suffering they will not be satisfied with less efficiency than that of pre-war times. Transportation must improve, and this improvement must be not alone for delivery of merchandise, but in the department of passenger service.

The unsteady situation of labor, which has shown the greatest increase in price of any commodity in the United States, must be overcome before general confidence in

operations of building and manufacture can be expected.

Reasonable requests of all labor organizations should be granted. Unreasonable requests must be denied, and the government must take action to see that no disturbance materializes in any part of the country because of unjust demands by any labor organizations or trades.

Labor organizations should incorporate into a body or bodies, which will give them a standing in the communities in which they are located, just as any business organization, and when they do this capital and business men generally, as well as clerks, will back their reasonable demands to a greater ex-

tent and with greater sympathy than is being shown at the present time.

Labor must be extremely careful not to attempt to profiteer. Workers are entitled to better than a living wage, but they are not entitled to a wage which forces the price of commodities beyond the average power of purchase.

The return of public utilities to the rightful owners is perhaps the greatest problem of economic finance before this country to-day. During the period of government control woful lack of efficiency has been shown, and although the war has practically been ended for six months the efficacy of public utilities has shown little or no improvement.

The people are not rabid in their fault-finding with the government and nearly every one realized the necessity of the government taking over these public utilities when they did. It was an essential then; to-day it is a farce. The government control has passed the point of usefulness and thus becomes a detriment.

Former managers, the best that can be obtained, must be taken into confidence by the government and methods devised for the return at the earliest possible moment of all corporate interests taken over.

Crop conditions in all sections of the country will play a great part in merchandising, as they always have. From all reports the wheat crop will unquestionably exceed that of any previous year in this country. The outlook for corn is excellent. Tobacco is bringing prices far beyond the expectations of the grower. Other small and large grains are selling to-day at high prices, and there seems to be little or no demand that they should be reduced to any great extent.

Cotton is steady and high in price, with probability of considerable increase when the crop is made, but in the entire southern section the acreage must be maintained and increased in order to give the grower the profit which should be his. Conditions in the southern section have been excellent; they should be better, and they will be if the proper acreage is planted and the crop harvested as early as practicable.

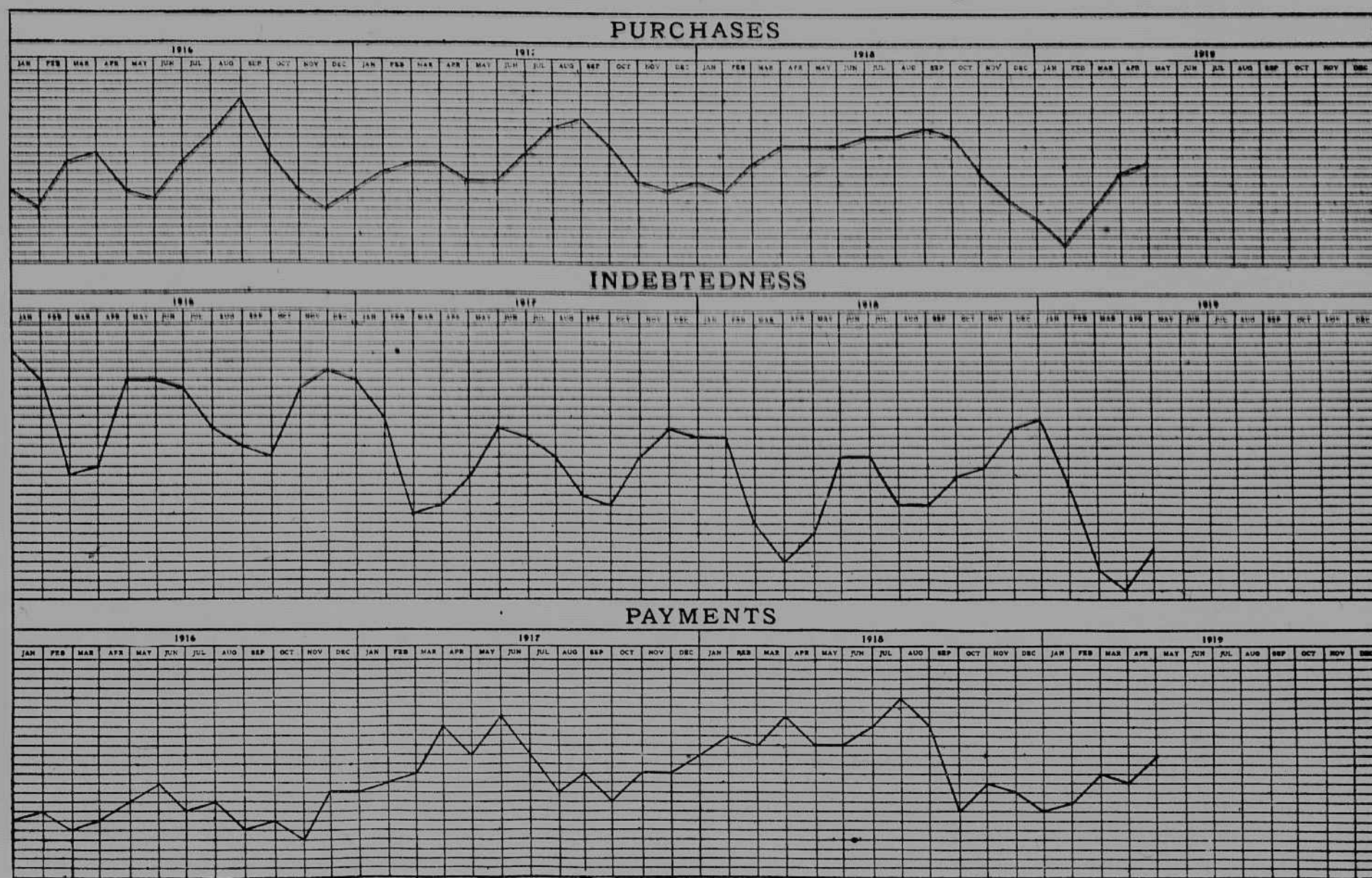
Few "Ifs" in The Situation

Looking steadily into the situation there are so few "ifs" in the situation that we must see that prosperity in nearly every line is with us and can be maintained very easily through conservative action and an optimistic spirit.

The stock market is steady and rising, bonds show a steady increase, merchandising is in splendid shape, demands from European countries for raw material as well as manufactures is increasing constantly, and during the next five years the greatest prosperity should be enjoyed, with few, if any, reactionary periods.

During the past three years certain sections have shown a tendency to increase their merchandising activities before others. At present these sections are again showing an activity in advance of the general average of the country, and everything statistical points toward better business throughout the entire country.

A Graphic Picture of the Merchandising Situation



The above chart shows the course of purchase of retail merchants and the payments for and indebtedness arising from such purchases

Canadians Expect Big Trade With Other British Colonies

Manufacturers in Dominion Believe That Tariff Preference Will Give Them Great Advantage; Bankers Able to Finance Overseas Commerce

MONTREAL, April 26.—In bidding for European business Canada is at a decided disadvantage by reason of the shipping situation, as is shown by the fact that large stocks of lumber are still in pile in the Maritime Provinces, having been purchased for the British government during the first two years of the war. Shortage of cargo carriers has prevented its being moved.

As the shipping situation is gradually relieved, however, Canada's position, especially in regard to the bulkier materials needed in Europe, should steadily be improved. It is appreciated that Canadian producers must face keen competition in European markets from United States manufacturers, but so far as the British market is concerned commercial interests in Canada have not abandoned hope that a tariff preference, or at least a priority in the issuance of import licenses, will be given to commodities produced within the empire. Representations looking to such preferential treatment have been renewed by the Canadian Manufacturers' Association.

Moreover, Canada may have some advantage over its competitors by reason of the fact that the Dominion government has announced its willingness to lend its credit in the financing of overseas orders. One of the leading Canadian bankers is authority for the statement that Canada can finance without difficulty all the reconstruction orders which can be obtained, while Sir Thomas White, Minister of Finance, has said: "We can finance the business; our Victory loans have shown us how."

Canada Seeking New Markets

In addition to prospective contracts from Europe it is possible that this country may share in the expected import trade of Siberia. Canadian business men also are looking to Australia, New Zealand, South Africa and the West Indies as potential markets for Canadian products capable of much expansion.

These countries are to Canada in a trade sense very much what the South American republics are to the manu-

facturers of the United States—customers of great promise. During the last four years, when Canadian export trade was almost entirely on a war basis, these customers had to be neglected, but they offer tariff preferences to Canadian products which should be of advantage in reestablishing trade relations. Canada is also hoping to increase its trade with South America and the Orient.

The immediate future of export business is still, of course, obscure, but an analysis of inquiries to the Department of Trade and Commerce indicates the character of the great immediate requirements, a part of which Canada may have an opportunity to supply. The most numerous inquiries have been for food products of all kinds. Next in frequency are inquiries for lumber and its products, and it would appear that lumbering and the industries allied with it will be among the first to be stimulated by peace demands.

So far as steel is concerned, some Belgian orders have already been offered, but the Canadian capacity is limited and the mills are fully engaged on orders for the Canadian National Railways and the privately owned roads. Then, too, manufacturers of agricultural implements are looking for a rapidly opening foreign market for their products. Even before the war the larger Canadian farm implement companies found that foreign business was more profitable than sales in the domestic market, and they are now prepared to extend their interests abroad.

During the war the price of pig iron and steel placed Canadian manufacturers of farm machinery under a severe handicap, inasmuch as they were not permitted to buy iron or steel in the United States and were obliged to purchase from Canadian producers, whose prices often were higher than the Pittsburgh base price, plus freight, plus the Canadian duty. This condition of affairs was due to the war situation, however, and has now been corrected. The pulp and paper industry, which is probably the best organized and most efficient of Canadian producing interests, has been exporting approximately 85 per cent of its production, and foreign

markets appear to be on the waiting list for all of its output which may be available for exportation.

The Canadian banks are well prepared to meet all demands upon them for ordinary credits in financing an increased foreign trade. The Bank of Montreal and the Royal Bank of Canada have recently opened branches in Paris, while these and other Canadian financial institutions have been strengthening existing connections and making new connections in all foreign countries, including the United States. There has also been a notable increase during the last two months in the number of domestic branches.

To an even greater extent than in the United States manufacturing establishments have been on a war footing in Canada. During the last three years fully 25 per cent of all the products of Canadian factories have been munitions and other war commodities for export overseas. The dislocation of industry has been exceedingly severe and readjustment is correspondingly difficult, especially as United States producers have strengthened greatly their grip on the Canadian market, while the share of the home market which Canadian manufacturers still retain is being threatened by the agitation of the agricultural interests, especially of Western Canada, for tariff reduction and reciprocity with the United States.

Science Applied To Cut Costs

Canadian manufacturers are looking to improve scientific methods to reduce their production costs and enhance the value of their output. The Advisory Council of Industrial and Scientific Research, a Federal government organization, has done much to improve the advantages of a closer relationship between science and industry. Largely as the result of its efforts a trade guild—the first to be formed in Canada—has been organized by the Maritime Province Cannery Association to test the assertion that the value of the Canadian fisheries, which is about \$35,000,000 annually under normal conditions, could be greatly increased and probably doubled by proper organization, reduction of waste and the adoption of more scientific handling.

But while these factors will all count toward a rapid recovery of industrial activity after the necessary economic readjustments have been made, the cancellation of war orders and lack of immediate peace orders to take their place have seriously affected many industries. The steel plants, other than those few manufacturing shipbuilding materials or railroad equipment, are finding the present situation trying.

I Am New York And This Is My Creed

By Bruce Barton

I AM NEW YORK.

All men know my fame and outward aspect, but few there are who know my heart.

Out through the nation, in cities and towns and cross-roads, when my name is spoken, men think sometimes of luxury or pleasure; sometimes of gold.

But my faith—

who is there that has measured it? Who that has not mingled with my people in their work, and merited and suffering can know how human, and how responsive and how unswerving is my heart?

Not out of my own loins have my

people come. They make their way to me from the North and South, from the East and from the West.

From the East, across the ocean, where the Statue in my harbor lights their spirits with fresh hope.

From the West, and South, and North, from every farm and village where clean-hearted, clear-eyed boys and girls have turned their faces toward me as the home of opportunity.

These are my people.

Who dares defame them?

What man, however high or low, shall call them hard or heartless?

To such as one I say:

They are your citizens in ten thousand towns before ever they were mine.

They are the builders who have made me great; and on what foundation stones, think you, have they built?

On money?

On commerce?

On trade?

They have wrought with materials more eternal.

They have laid my foundations on Faith.

And fashioned my greatness with Honor and the Plighted Word.

In my markets millions in gold pass back and forth upon the firm security of men's trust in one another.

From every corner of the nation men have gone forth, relying on the promise of that word, to stretch great railroads across the continent; to open mines and rear new cities on the unbroken plains.

Because the war was fought for right, I gave unsparingly my sons and my resources.

And not until the last dollar of the cost of Victory is paid shall I call my task complete.

The Victory Loan is an Honor Loan to me.

It shall not fail.

For I am New York,

the dweller in the House of Honor.

A city that hath foundations—whose corner-stone is Faith.

The Bankers' Trust Company.

Mexican Railways Would Borrow U. S. Equipment

National System to Make Formal Application to Railroad Administration

MONTREAL, Mexico, April 26.—It is conceded by members of the different American trade associations who have visited Mexico recently that the greatest drawback to building up trade with this country at this time is the shortage of railroad equipment. It is found that even the handling of local traffic is difficult and that the transportation of large shipments of imports is practically out of the question.

Although the shortage of rolling stock is being met to a small degree by repairing old cars and locomotives, the need for thousands of freight cars and engines is urgent. This supply will have to come from the United States.

The National Railways of Mexico will make formal application to the United States Railroad Administration for the loan of several thousand cars and locomotives for the special movement of international traffic. This equipment is to be taken over on a rental basis, the application is granted. Every possible effort will be made to prevent the rolling stock from falling into the hands of bandits and revolutionists, it is stated.

Japan's New Enterprise ---Manufacturing "Trusts"

Nippon Government, Fearing Invasion by Foreign Producers, Is Creating Giant Monopolies as a Measure of Protection for Home Industries

By Adachi Kinnosuke

THE Japanese government has gone into a new business of manufacturing trusts and combinations among her industrial companies. It is not in restraint of trade, however; it is for the expansion of her industrial activities. The central idea is to defend the productive industries of Japan against invasion by large foreign combinations.

The government already has taken definite steps to persuade the Sakai Celluloid Company and the Nippon Artificial Silk Company and many other celluloid companies in the country to combine to bring about the following results: Creation of larger capital funds through combination; (2) the reduction of overhead charges; (3) to regulate price of products; (4) better facilities for the extension of markets.

It is encouraging the combination of all the small manufacturing companies of camphor products. Japan is by far the greatest producer of camphor in the world, and in all the manufactures which call for camphor she feels she is thoroughly capable of maintaining the world supremacy. Hence the emphasis being laid upon this branch of industry.

The fever for big combinations among private interests independent of government encouragement also is decidedly high. Some chemical enterprises which had a flush-hour prosperity through the war period are trying to continue their existence in the after war period of competition with the imported goods; and they find in the idea of combination their almost only haven from the storm. Small companies engaged in the production of acetic acid and acetic line, which are scattered all over the province of Wakayama, are actively negotiating for the formation of a big combination with the leading timber interests of the country.

The Fuji Paper Manufacturing Company is trying to combine with the Hokkaido Kogyo Company. The Nippon Ice Company seems to be bent on forming an ice trust. It already has decided to take over the Niitaka Ice Manufacturing Company, and now it is reported to be negotiating with the

Toyo Ice Company, which is in itself the consolidation of all the smaller ice companies in Nagasaki, Hakata, Kwan-mon, Wakamatsu, Sasebo, Gifu and other places near about.

The great Suzuki interests are reported to be on their way to bring forth the Japanese edition of the Standard Oil.

Among brewers, the two large companies, the Nippon Beer Company and the Imperial Beer Company, are carrying on a long-winded negotiation of coming together; it is reported.

But the most urgent task of combination is among the iron works of the empire. The war created an astonishing number of steel and iron works in Japan. These are suffering severely to-day through the sudden end of the war. They, like the chemical companies, think the only effective means of salvation for them is through a large combine, which may work out a plan of campaign enabling them to cope successfully against the foreign competition.

British Banks Combine Several Large Institutions Are Amalgamated

English banks are joining hands to go after business in foreign fields. Several amalgamations have already taken place and the latest is the organization of the British Overseas Banking, formed by the Anglo-South American Bank; Glynn, Mills, Currie & Co.; the Northern Banking Co. (of Ireland); Union Bank, of Scotland, and Williams Deacon's Bank. The capital, which will be issued as soon as Treasury consent has been obtained, will consist of £1,000,000 (\$1,366,500) in ordinary shares (common stock), and £1,000,000 in preferred shares. It is rumored that the whole of the ordinary share capital will be subscribed by the banks interested in the organization of the new undertaking. The preference shares, which carry participatory rights, will be offered to the general public. The announcement of the formation of this new Overseas Bank has created a good deal of interest in London financial circles. It is rumored that other important banks will seek to participate in the new venture.